



CITY OF DURHAM | NORTH CAROLINA

Date: May 2, 2014

To: Thomas J. Bonfield, City Manager

Through: W. Bowman Ferguson, Deputy City Manager

From: Donald F. Greeley, Director, Water Management

Subject: Southeast Pressure Zone (SEPZ) Elevated Water Storage Tank Contract – Construction Contract Award to Landmark Structures I, L.P.

Executive Summary:

The Department of Water Management opened bids on April 30, 2014 for Southeast Pressure Zone Elevated Water Storage Tank Contract. The project consists of constructing a 1.5 million gallon elevated water storage tank near the intersection of Page Road Extension and Highway 70. The Department recommends the contract be awarded to Landmark Structures I, L.P., the lowest responsive and responsible bidder. Additionally, the Department recommends a contingency of approximately 10% be established for the project.

Recommendations:

The Department recommends that the City Council:

1. Authorize the City Manager to execute a contract with Landmark Structures I, L.P. for the Southeast Pressure Zone Elevated Storage Tank Contract for \$3,775,000.00;
2. Establish a contingency fund for the contract in the amount of \$375,000.00; and,
3. Authorize the City Manager to negotiate change orders for the contract provided that the cost of all change orders does not exceed \$375,000.00 and the total project cost does not exceed \$4,150,000.00.

Background:

The Southeast Pressure Zone Elevated Water Storage Tank was designed and bid with engineering assistance from Hazen and Sawyer P.C. The tank will provide critical water storage needs, improve pressure and increase available fire flows in the Southeast Pressure Zone system. The tank is to be located near the intersection of Page Road Extension and Highway 70. Only two bids were received on the original bid date of April 17th. As per City policy and Bid law, the City rebid the project and received three bids on April 30th.

Issues and Analysis:

The bid results are:

Contractor	Base Bid
Landmark Structures I, L.P.	\$3,775,000.00
Caldwell Tank and Tower	\$3,806,000.00
Chicago Bridge & Iron	\$4,271,000.00

The Department recommends the City Council award the contract to Landmark Structures I, L.P. the lowest responsible and responsive bidder.

Alternatives:

Alternative 1: Do not go forward on the project – This is not recommended at this time. The pricing is competitive and the City's engineer recommends Landmark for selection based on the price.

Financial Impact:

Funding for this contract was budgeted for in the Southeast Distribution System Capital Improvement Project Account. There are currently funds available in this account.

Southeast Pressure Zone

Elevated Tank Construction	\$ 400.00	4100P760-731000-P0B89
	\$ 3,774,600.00	4100P762-731000-P0B89
(contingency)	\$ 375,000.00	4100P762-731900-P0B89
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Total	\$ 4,150,000.00	

SDBE Summary

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Landmark Structures I, L.P., Fort Worth, Texas to determine compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting. The goals for this project are 2% MSDBE and 1% WSDBE. It was determined that Landmark Structures I, L.P. was in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

SDBE REQUIREMENTS

Landmark Structures I, L.P. will subcontract to the following certified firms:

Firm	ID	City/State	Amount	% of Contract
Southern Garden, Inc.	WSDBE	Apex, NC	\$33,545	1%
RDU Paving, Inc.	WSBE	Raleigh, NC	\$19,380	.5%

The WSDBE goal was met. The MSDBE was not met, but Landmark Structures I, L.P. demonstrated a good faith effort in trying to meet the goal.

WORKFORCE STATISTICS

The workforce statistics for Landmark Structures I, L.P. are as follows:

Total Workforce	218	
Total Females	26	14%
Total Males	192	86%
Black Males	5	2%
White Males	106	49%
Other Males	76	35%
Black Females	1	.5%
White Females	25	11.5%
Other Females	5	2%

